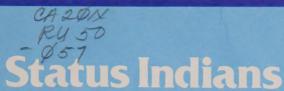
# Ontario Sales Tax Guide



# General

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Status Indians living on reserves are entitled to many tax exemptions. If you are a status Indian or a vendor selling to status Indians, this guide explains how to apply retail sales tax in your transactions.

The retail sales tax exemptions for Indians are not available to corporations owned by Indians. Such corporations must pay retail sales tax in the same manner as other corporate purchasers.

## **EXEMPT PURCHASES**

All goods purchased by status Indians on reserves are tax-exempt. (Taxable goods purchased on reserves by persons other than status Indians remain taxable).

**Off reserves**, status Indians may buy most personal goods tax-exempt if the goods will be used on a reserve. To get this exemption, status Indians must show vendors a Federal Identification Card like this one:





Indian and Northern Affaires indiennes et du Nord Canada A 017663

When the status Indian takes the goods with him, vendors should note in their records the buyer's Federal Identification Card number, the buyer's name and reserve, and a brief description of the goods sold. When goods are delivered to a reserve, the delivery slip or bill of lading will prove that the tax exemption was valid. These records must be kept for audit verification.

For retail sales tax purposes, a reserve includes an Indian settlement located on Crown land, the Indian inhabitants of which are treated by the Department of Indian Affairs and Northern Development (Canada) in the same manner as Indians residing on a reserve.

#### **TAXABLE PURCHASES**

Goods bought off the reserve are taxable when they will be **consumed** off the reserve. For instance, status Indians and others must pay the tax on transient accommodation, admissions and taxable prepared food products (unless delivered directly to the reserve). Personal goods bought by status Indians living off reserves are taxable.

All sales of alcoholic beverages to status Indians are taxable, with or without a Federal Identification Card.

## **TAX REFUND**

Status Indians who believe they have been charged tax incorrectly may apply to a Retail Sales Tax Office for a tax refund within three years of the date they paid the tax.

#### **BUILDING MATERIALS**

Contractors may purchase building materials tax-exempt for certain buildings and structures situated on Indian reserves. The cost of such projects must be borne by a Band Council, and the buildings must be intended to provide a community service for the reserve.

The contractor may purchase the materials to be incorporated into such buildings tax-exempt by giving his supplier a purchase exemption certificate (see Sales Tax Guide 104). Band Councils should arrange for tax-excluded tenders on community building projects.

The information in this publication is only a guideline. For more specific information, please consult the Retail Sales Tax Act or contact your local Retail Sales Tax Office listed in the blue pages of your telephone directory.

Pour obtenir cette publication en français, veuillez communiquer avec votre bureau régional de la Taxe de vente au détail.